

Medicare Advantage policy issues

ISSUE: This paper sets the stage for a chapter in the June report that will provide an overview of the Medicare Advantage (MA) program that will begin in 2006 and provide the Commission's views on payment and other policies.

KEY POINTS: We provide an overview of Medicare Advantage policies, including the types of plans, enrollment rules, benefits, and payment issues. New types of plans include regional preferred provider organizations and specialized plans. Medicare Advantage moves to a new annual enrollment process. Some types of Medicare Advantage plans will provide the Medicare drug benefit under Part D; the hospice benefit continues to be excluded from the benefit package that plans must cover. The payment system also changes to one closer to a competitive bidding process, albeit with bidding benchmarks based on the old administrative pricing system.

We also provide recent information on quality and patient experience measures for MA plans and compare them when possible to those for the fee-for-service program and over time.

ACTION: The Commission will discuss these issues and provide its views on the policies.

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